

Fearnleys Weekly Report

Week 33 - August 14, 2024

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01 Tankers

VLCC

The last couple of days the MEG has been in that twilight zone in between months with Saudi September stems reportedly due tomorrow. However, as it turned out August was far from “sold out” and proceedings kicked off this morning with a few end month cargoes and a couple of early September stems from the likes of Kuwait and UAE, charterers seemingly sensing the potential upside. The Atlantic also showed signs of picking up yesterday with a handful of USG export cargoes emerging, and we got a Brazilian export cargo this morning. There’s currently very little disparity TCE wise between MEG- and West Africa/East. The extra 5 points give/take for the longer voyage mostly cover the extra cost, so owners with ships ballasting from the East will be reluctant to lock in a long commitment into a perceived stronger autumn/winter marker at current low returns – and as ships naturally open in the Atlantic becomes absorbed logic dictate rates will have to come up. Position lists both East and West of Suez are relatively balanced, but more

FRONT

When you are at the bottom of the hill the only way is up.

Suezmax

If you quote a cargo in this market, you're likely to receive 4, 5, possibly 6, 7 offers. That goes for nearly every region. Owners therefore have little else other than their own TCEs to use as the reason for resistance. The ships which have missed cargoes off their dates are left with a decision to sit and wait for the winds of change or fix at a number which involves a fair amount of waiting, which in turn will yield little returns. When we say little, we're talking in the teens for TCE equiv. Therefore, the tonnage list is slowly squeezing rates down but it's not going anywhere fast. Information in these markets is harder to come by because owners will do what they need to do to fix but there's no point in talking about it. In our opinion, the tonnage lists suggest there's at least another 10 days before ships begin to thin out. That's the earliest we can hope for change in a positive direction for rates.


Aframax

The lackluster market form in the North has continued into this week with activity limited and freight rates steady at WS 120 for X-Nsea. USG and Mediterranean markets have also softened which has made ballasting out of the area less attractive, leaving a good supply of tonnage for a relatively small amount of activity.

Some activity this week in the Mediterranean, but charterers keeping the pressure on rates. Lots of tonnage has been committed though ships are willing to fix down from the North and so attention turns to what's left in the region. With mid-3rd decade being worked and end month stems around the corner the hope is that September stems bring renewed backing for the region. Suezmax tipped to progress also which should allow Aframax in the Mediterranean to work without the threat of Suezmax.

Rates

Dirty
(Spot WS 2024, Daily Change)

 [Click rate to view graph](#)

WAF/FEAST		260'
32.5	0 >	
MEG/Japan		280'
47	1 ^	
MEG/Singapore		280'
48	1 ^	
WAF/FEAST		260'
53	2 ^	
WAF/USAC		130'
72.5	-2.5 v	
Sidi Kerir/W Med		135'
80	-5 v	
N. Afr/Euromed		80'
120	-17.5 v	
UK/Cont		80'

Caribs/USG

Caribs/USG

70'

97.5

-20▼

1 Year T/C (USD/Day, Weekly Change)

[Click rate to view graph](#)

VLCC

Modern

\$38,500

\$0 >

Suezmax

Modern

\$40,000

\$0 >

Aframax

Modern

\$43,000

-\$500▼

VLCCs

[Click rate to view graph](#)

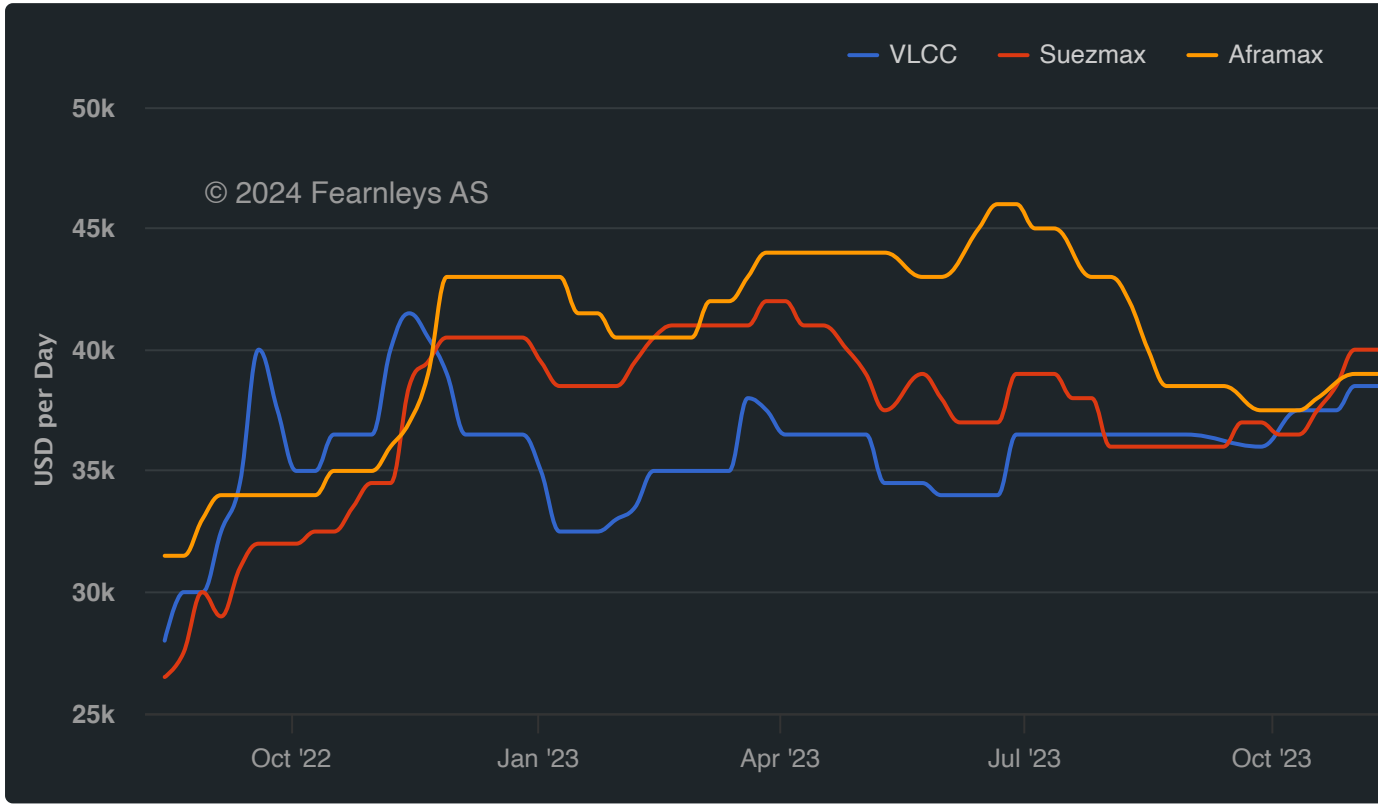
Fixed in all areas last week

67

0 >

Available in MEG next 30 days

1 Year T/C Crude



02 Dry Bulk

Capesize

On the West Australia front, we see enquires from full suite of miners for late August dates and operators for late August to September dates. Volumes out of East Australia remained flat from last week with some operators enquiring for early September dates. On C3 ex Brazil to China, we see interest for full September dates in particular for early to mid September. Lesser activity was seen on West Africa. Far

FRUIT

FIRST HALF OF AUGUST WITH TEU STILL ABLE TO MEET LATE AUGUST DATES. ON C5, WE SEE AN UPTICK IN NUMBERS WITH FIXTURES CONCLUDING AT HIGH USD 10 PMT LEVELS BY MID-WEEK. ON C3, WE SEE FIXTURES CONCLUDING AT MID USD 25 PMT LEVELS FOR EARLY SEPTEMBER WHILE OFFERS ARE IN THE USD 26 PMT LEVELS FOR MID TO LATE SEPTEMBER DATES.

Panamax

THIS WEEK IN THE PANAMAX MARKET, THE SECTOR SAW CONTINUED RATE DECLINES IN BOTH THE ATLANTIC AND PACIFIC BASINS, WITH LIMITED DEMAND AND SOME SLIGHT IMPROVEMENT IN PACIFIC DEMAND OFFERING MINIMAL SUPPORT. THE MARKET IS STILL UNDER PRESSURE, PARTICULARLY IN ASIA, DESPITE POTENTIAL DRIVERS SUCH AS US GRAIN, INDIAN COAL, AND BRAZILIAN CORN SHIPMENTS, WHILE CHINA'S WEAK COAL IMPORT MARKET SHOWS LITTLE IMMEDIATE PROMISE OF RECOVERY WITHOUT A REBOUND IN ITS STEEL SECTOR. THE OUTLOOK REMAINS CAUTIOUS, WITH EXPECTATIONS OF FURTHER RATE CORRECTIONS.

Supramax

THIS WEEK'S MARKET FOR SUPRAMAX AND HANDYSIZE VESSELS REMAINED GENERALLY SUBDUED, WITH LIMITED FRESH ACTIVITY AND A CAUTIOUS SENTIMENT PREVAILING ACROSS REGIONS. IN THE SUPRAMAX SECTOR, THE US GULF SAW RECENT GAINS FOR TRANSATLANTIC RUNS STALL, WHILE THE SOUTH ATLANTIC STAYED BALANCED WITH LITTLE CHANGE IN RATES. THE CONTINENT-MEDITERRANEAN ROUTES LACKED NEW MOMENTUM, AND ASIAN MARKETS REMAINED LETHARGIC, WITH ONLY A FEW FIXTURES REPORTED. THE HANDYSIZE SEGMENT MIRRORED THIS TREND, WITH MIXED SIGNALS FROM THE SOUTH ATLANTIC AND SLIGHTLY FIRMER SENTIMENT IN THE US GULF, BUT OVERALL ACTIVITY REMAINED LOW.

Rates

Capesize

(USD/Day, USD/Tonne, Daily Change)

 [Click rate to view graph](#)

TCE Cont/Far East

\$38,125

\$312 


FRUIT

\$11.03**\$0.66** 

Pacific RV

\$16,464**\$1,496** **Panamax**

(USD/Day, USD/Tonne, Daily Change)

 [Click rate to view graph](#)

Transatlantic RV

\$12,830**-\$180** 

TCE Cont/Far East

\$27,077**-\$323** 


TCE Far East/Cont

\$5,800**\$22** 

TCE Far East RV

\$12,613**\$188** **Supramax**

(USD/Day, USD/Tonne, Daily Change)

 [Click rate to view graph](#)

FRIGHT

\$15,006

-\$107 

Pacific RV

\$12,400

\$62 

TCE Cont/Far East

\$20,067

-\$46 

1 Year T/C

(USD/Day, Weekly Change)

 [Click rate to view graph](#)

Newcastlemax

208'

\$27,400

\$150 

Kamsarmax

82'

\$17,150

-\$150 

Ultramax

64'

\$17,500

\$500 

Capesize

180'

\$23,400

\$150 

FRIGHT

Panamax

75'

\$16,000

-\$150▼

Supramax

58'

\$15,000

-\$500▼

Handysize

38'

\$13,250

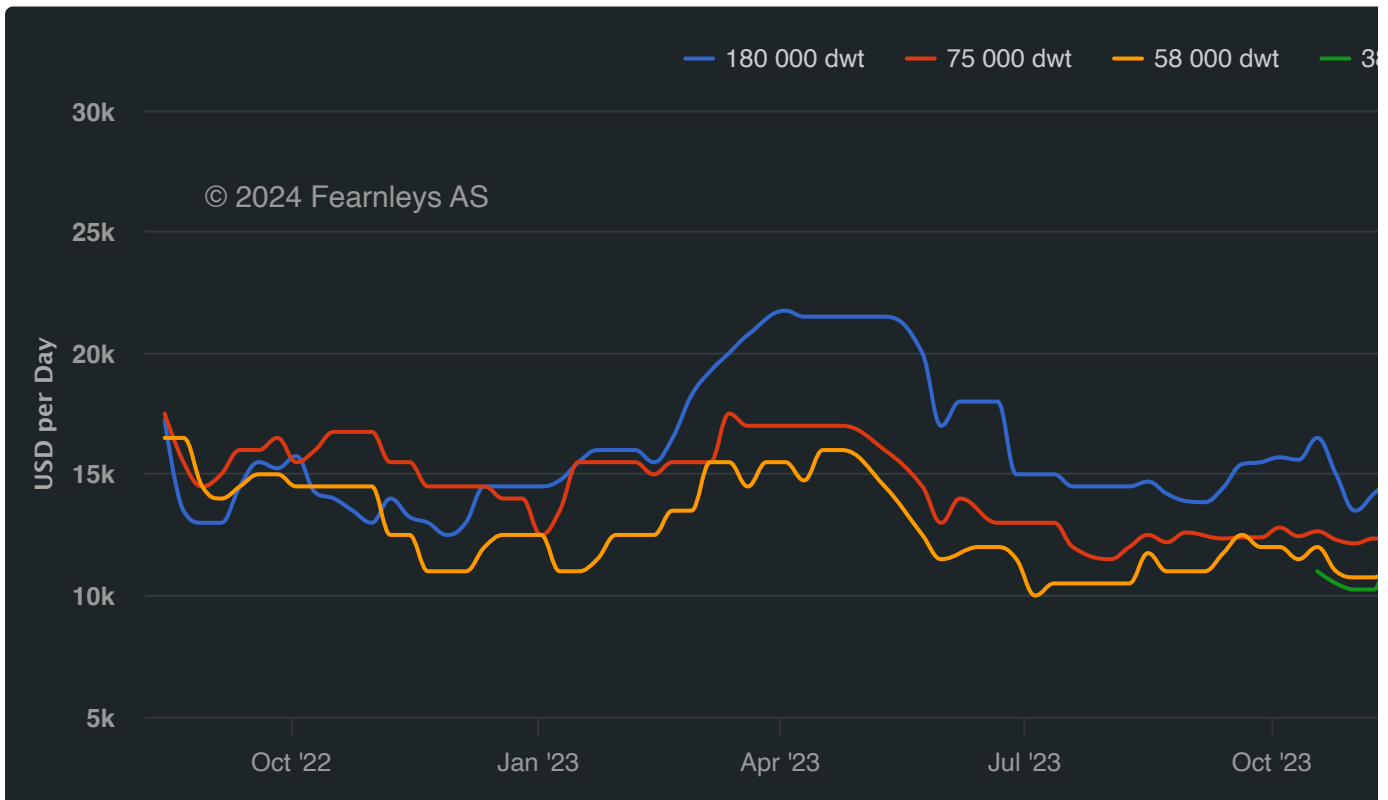
-\$250▼

Baltic Dry Index (BDI)

\$1,728

\$58▲

1 Year T/C Dry Bulk





Chartering

EAST


As we are entering the halfway point of the week, we are yet to see any great amount of firm activity from Middle Eastern players. We reiterate that, while the next proper cluster of cargoes should be allocated on September dates, there might be some remaining uncovered end August cargoes still. Freight rates appear to be rising, with two spot fixtures out of Yanbu reportedly concluded at 50 to low 50s RT/C, equivalent of around 95 on the BLP3 index route.

WEST

Despite the position list has gained some length there is more optimism in the Western market this week compared to the last. An Asian spot tender was recently concluded in the low 90s H/C - slightly above the last done levels in the USG. There are a number of uncovered cargoes out there in the West and we now find owners' ideas in the mid/high 90s H/C.

LPG Rates

Spot Market (USD/Month, Weekly Change)

 [Click rate to view graph](#)

VLGC	84'
\$675,000	\$25,000 ^

LGC	60'
\$600,000	\$0 >

COASTER Asia

\$900,000

USD
\$0 >

HDY SR

\$910,000

20-22'
\$0 >

HDY ETH

\$1,220,000

17-22'
-\$25,000 v

ETH

\$630,000

8-12'
\$0 >

SR

\$470,000

6.5'
\$0 >

COASTER Asia

\$280,000


\$0 >

COASTER Europe

\$420,000

\$0 >

LPG/FOB Prices (Propane) (USD/Tonne, Weekly Change)

 Click rate to view graph

Crude Oil

\$555.5

\$0 >

Saudi Arabia/CP

\$580

\$0 >

MT Belvieu (US Gulf)

\$406


\$29 ^

Sonatrach/Bethioua

\$555

\$0 >

LPG/FOB Prices (Butane) (USD/Tonne, Weekly Change)

 Click rate to view graph

FOB North Sea/Ansi

\$492

\$0 >

Saudi Arabia/CP

\$570

\$0 >

MT Belvieu (US Gulf)

\$332

\$20 ^

FRIGHT


Sonatrach/Bethioua

\$500

\$0 >

LNG Rates

Spot Market
(USD/Day, Weekly Change)

 [Click rate to view graph](#)

East of Suez 155-165k CBM

\$65,000

-\$5,000 

West of Suez 155-165k CBM

\$50,000

-\$4,000 

1 Year T/C 155-165k TFDE

\$61,000

\$0 >

04 Newbuilding

Activity Levels

Activity

Strong

Dry Bulk Activity

Moderate

Other Activity

Strong

Prices

VLCC

\$127

300'

\$0 >

Suezmax

\$86

150'

\$0 >

Aframax

\$70.5

110'

\$0 >

Product

\$48.5

50'

\$0 >

NEWCASTLE

Newcastlemax

210'

\$73

\$0 >

Kamsarmax

82'

\$38

\$0 >

Ultramax

64'

\$36

\$0 >

LNGC (MEGI) (cbm)

170'

\$264

\$0 >

05

Sale & Purchase

Prices

Dry	5 yr old	10 yr old
Capesize	\$64.0	\$45.0
Kamsarmax	\$38.0	\$29.5

FREIGHT

Ultramax	\$36.0	\$28.5
Handysize	\$28.5	\$22.0
Wet	5 yr old	10 yr old
VLCC	\$110.0	\$84.0
Suezmax	\$84.0	\$68.0
Aframax / LR2	\$73.0	\$60.0

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Market Brief

Exchange Rates

USD/JPY

147.44

-0.16▼

USD/NOK

10.79

0.01▲

USD/KRW

Exchange Rates

EUR/USD

0.91

-0.01▼

Interest Rates

SOFR USD (6 month)

5.39%

0 >

Commodity Prices

Brent Spot

\$80.5

-\$2▼

Bunker Prices

Singapore

380 CST

\$497

\$9.5▲

MGO

\$714

\$8.5▲

Rotterdam

Spread MGO/380 CST

\$217

-\$1 ▾

Rotterdam

380 CST

\$466.5

\$11 ▲

MGO

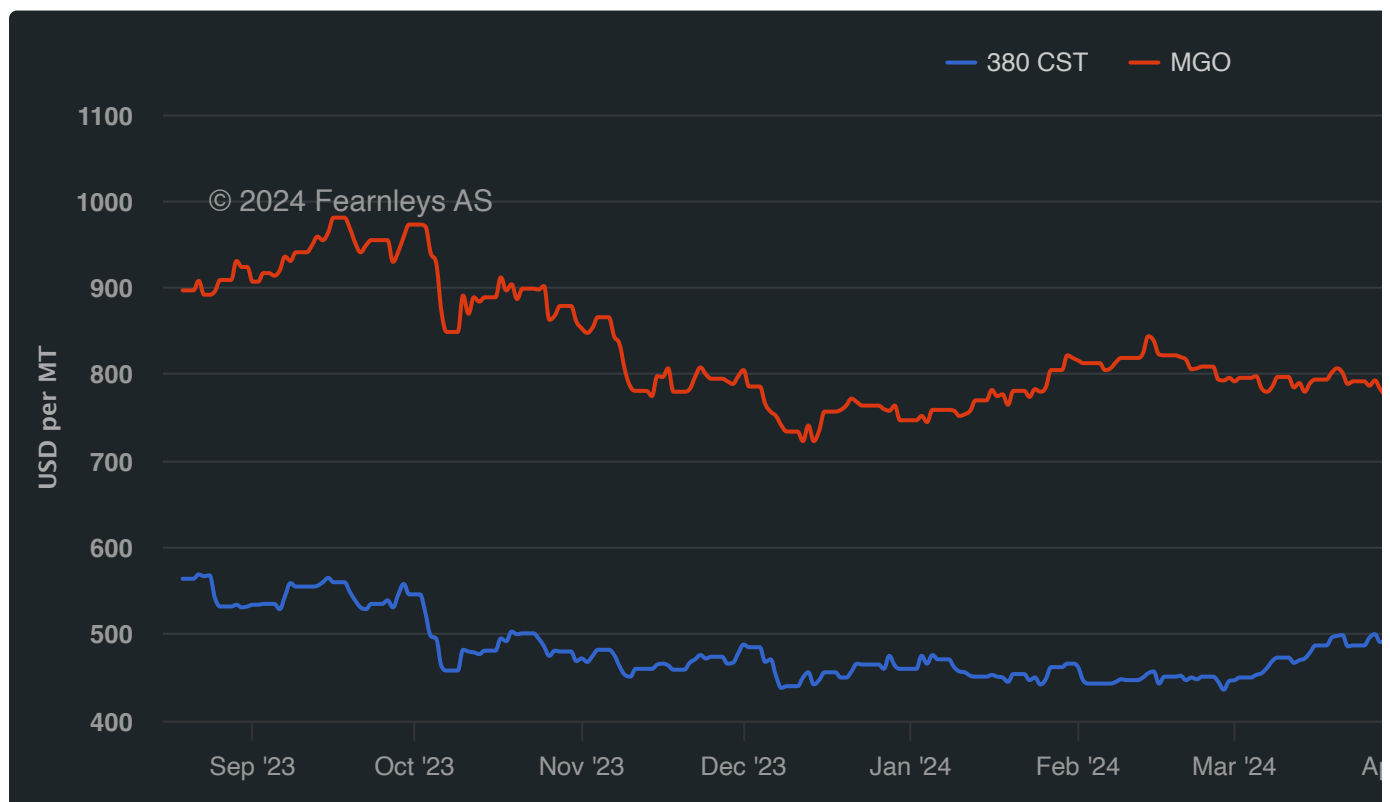
\$697.5

\$11 ▲

Spread MGO/380 CST

\$231

\$0 >



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All rates published in this report do not necessarily reflect actual transactions occurring in the market. Certain estimates may be based on prevailing market conditions. In some circumstances, rates for certain vessel types are based on theoretical assumptions of premium or discount for particular vessel versus other vessel types.'

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